

ILLINOIS REGISTER

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ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Concessionaire Rules
- 2) Code Citation: 11 Ill. Adm. Code 402
- 3)

<u>Section Numbers:</u>	<u>Proposed Action:</u>
402.10	Amend
402.20	Amend
402.30	Amend
402.40	Amend
402.50	Amend
402.60	Amend
402.80	Repeal
402.90	Amend
402.130	Repeal
402.150	Amend
- 4) Statutory Authority: Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].
- 5) A Complete Description of the Subjects and Issues Involved: The proposed rulemaking updates Sections 10, 20, 40, 50 and 60 to include intertrack wagering locations, also known as off-track betting parlors. Section 80 is being repealed because the Board no longer approves concession prices. Section 130 is being repealed because the financial statements are included as an exhibit in the license application.
- 6) Published studies or reports and sources of underlying data used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace any emergency rulemaking currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending in this Part? No
- 11) Statement of Statewide Policy Objectives: No local governmental units will be required to increase expenditures.

ILLINOIS REGISTER

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ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENTS

- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments should be submitted, within 45 days after this notice, to:

Mickey Ezzo  
Illinois Racing Board  
100 West Randolph  
Suite 7-701  
Chicago, Illinois 60601

(312) 814-5017

- 13) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

- 14) Regulatory Agenda which this rulemaking was summarized: July 2012

The full text of the Proposed Amendments begins on the next page.

ILLINOIS REGISTER

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ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENTS

TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY

SUBTITLE B: HORSE RACING

CHAPTER I: ILLINOIS RACING BOARD

SUBCHAPTER b: RULES APPLICABLE TO ORGANIZATION LICENSEES

PART 402

CONCESSIONAIRE RULES

Section

402.10	Definitions
402.20	Occupation License
402.30	License Application
402.40	Time of Filing
402.50	Necessity of License
402.60	Application Contents, Substantial Owners
402.70	Grounds for Denial
402.80	Concession Prices ( <u>Repealed</u> )
402.90	Disclosure Statements, of Whom Required
402.100	Disclosure by Corporations
402.110	Change of Owners, Directors, etc.
402.120	Observe Rules
402.130	Financial Statements ( <u>Repealed</u> )
402.140	License Deemed Personal
402.150	Penalties
402.160	Political Contributions Prohibited
402.170	Remedies

**AUTHORITY:** Implementing and authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

**SOURCE:** Adopted at 3 Ill. Reg. 45, p. 106, effective October 29, 1979; codified at 5 Ill. Reg. 10880; amended at 17 Ill. Reg. 21845, effective December 3, 1993; amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

**Section 402.10 Definitions**

The term "concessionaire" shall include an individual, firm, partnership, corporation, trustee or legal representative licensed to operate as a concessionaire to sell or provide food, beverages,

## ILLINOIS REGISTER

---

### ILLINOIS RACING BOARD

#### NOTICE OF PROPOSED AMENDMENTS

programs, tip sheets or parking to the public at any race track in Illinois or intertrack wagering facility as defined in Section 210.10.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.20 Occupation License**

No concessionaire shall operate at any race track or intertrack wagering facility in Illinois without an occupation license duly issued by the Board.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.30 License Application**

- a) An application for a license to operate as a concessionaire shall be made on forms furnished by the Board and shall be verified.
- b) One original and ~~oneten~~ one executed ~~copy~~copies of the application shall be filed with the Board.
- c) The applicant shall submit with the application all relevant contracts, including but not limited to contracts with suppliers, contracts with any and all racing associations, and instruments evidencing any indebtedness between the applicant or the owner of any beneficial interest in the applicant and any and all racing associations.
- d) If circumstances change or events occur after the application is filed so that the application no longer presents the facts, the applicant shall submit an amended application correcting any incorrect statements.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.40 Time of Filing**

- a) Application for an occupation license as a concessionaire shall be filed on or before ~~3060~~ 30 days prior to the opening of the racing meet at the race track or the intertrack wagering facility at which the concession is to be operated, ~~however.~~

## ILLINOIS REGISTER

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### ILLINOIS RACING BOARD

#### NOTICE OF PROPOSED AMENDMENTS

- b) The Board in its discretion, upon good cause shown, may act upon applications for an occupation~~occupational~~ license to operate as a concessionaire received subsequent to the dates specified in this rule.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.50 Necessity of License**

No person shall conduct or operate a concession upon any race track grounds or intertrack wagering facility within the State of Illinois during any racing meet without first obtaining an occupation license from the Board.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.60 Application Contents, Substantial Owners**

- a) Each application for an occupation license as a concessionaire shall be on forms prescribed by the Board. If the applicant is a corporation, the application shall disclose, among other things, the names and addresses of its directors, officers, and owners of substantial beneficial interest and shall state whether or not any such individuals:
- 1) have been convicted of a crime,
  - 2) have been found guilty of a violation of the Illinois Horse Racing Act of 1975 or the rules and regulations of the Board, and
  - 3) ~~or have been suspended, revoked or denied a permit or license from operating as a concessionaire or denied a permit to operate as a~~ concessionaire at any race track or intertrack wagering facility in any other state.
- b) A person owning 5% or more of the equity of an applicant shall be considered a substantial owner for the purposes of these rules.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.80 Concession Prices (Repealed)**

## ILLINOIS REGISTER

---

### ILLINOIS RACING BOARD

#### NOTICE OF PROPOSED AMENDMENTS

~~Pursuant to Section 25(d) of the Illinois Horse Racing Act of 1975, prices to be charged by a "concessionaire" shall not exceed prices set forth in the application for an organization license by the organization at which the concession is to be operated without first obtaining prior approval of the Board. In considering requests for price increases, the Board shall consider all relevant factors, including, but not limited to, the following: the cost of goods or services provided, the margin of profit, and the effect of the requested price increases on the racing public.~~

(Source: Repealed at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.90 Disclosure Statements, of Whom Required**

On or before the date an application for an ~~occupation~~occupational license is required to be filed, all officers, directors, creditors and substantial owners of any beneficial interest in any concessionaire desiring to operate at any race track within the State of Illinois shall make written disclosure on forms prescribed by the Board for approval of their participation in racing in the State of Illinois. Said forms shall be submitted under oath as prescribed in the form and shall be considered as part of the application for ~~occupation~~occupational license to operate as a concessionaire. A person owning 5% or more of the equity of an applicant to operate as a concessionaire shall be considered a substantial owner for the purpose of this rule. A person extending credit for more than one year or extending credit in excess of \$10,000 for less than one year, but more than 30 days, shall be considered a creditor for the purposes of this rule.

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

#### **Section 402.130 Financial Statements (Repealed)**

- a) ~~At the end of each meet, each concessionaire shall prepare and submit to the Board a record of its operations at the track. The report shall include verified financial statements including:~~
  - 1) ~~Balance sheet; and~~
  - 2) ~~a statement of profit and loss showing the concessionaire's combined operations for that year; and the results of such operations for each specified racing meet at which the concessionaire conducted business during the year.~~
- b) ~~Income and expense items shall be shown in such detail as required in accordance with generally accepted accounting principles. Such report shall be filed with the Board within 75 days after the end of each individual meet.~~

ILLINOIS REGISTER

---

ILLINOIS RACING BOARD

NOTICE OF PROPOSED AMENDMENTS

(Source: Repealed at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

**Section 402.150 Penalties**

- a) The Board may suspend or revoke any occupation~~occupational~~ license of any concessionaire:
  - 1) for violation of any of the provisions of the Illinois Horse Racing Act of 1975; or
  - 2) for violation of any of the rules or regulations of the Board; or
  - 3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license~~occupational licenses~~; or ~~(d) for any other just cause. (Ill. Rev. Stat., Ch. 8, par. 37-15(d)).~~
  - 4) for any other just cause. (230 ILCS 5/15(d)).
- b) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee~~individuals~~ for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing. (230 ILCS 5/9(1))~~(Ill. Rev. Stat., Ch. 8, par. 37-9(1)).~~

(Source: Amended at 36 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)